

HOUSE BILL No. 1177

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-32.

Synopsis: Tax credit for anhydrous ammonia additives. Provides a state tax credit to a taxpayer that purchases an anhydrous ammonia additive to treat the anhydrous ammonia in possession of the taxpayer in order to make the anhydrous ammonia unsuitable for use in the manufacture of methamphetamine.

Effective: January 1, 2009.

Duncan, Goodin

January 10, 2008, read first time and referred to Committee on Agriculture and Rural Development.

C
o
p
y



Introduced

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

HOUSE BILL No. 1177

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.1-32 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2009]:

4 **Chapter 32. Anhydrous Ammonia Additive Tax Credit**

5 **Sec. 1. As used in this chapter, "anhydrous ammonia additive"**
6 **means any substance added to anhydrous ammonia that:**

- 7 (1) makes the anhydrous ammonia unsuitable for use in the
8 manufacture of methamphetamine or amphetamine; and
9 (2) does not prevent the use of the anhydrous ammonia as an
10 agricultural fertilizer.

11 **Sec. 2. As used in this chapter, "department" refers to:**

- 12 (1) the department of insurance, for purposes of
13 administration of the insurance premium tax (IC 27-1-18-2);
14 or
15 (2) the department of state revenue, for purposes of
16 administration of a tax other than the insurance premium tax.

17 **Sec. 3. As used in this chapter, "pass through entity" means:**

2008

IN 1177—LS 6414/DI 114+



C
o
p
y

(1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);

(2) a partnership;

(3) a trust;

(4) a limited liability company; or

(5) a limited liability partnership.

Sec. 4. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

(1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);

(2) IC 6-5.5 (the financial institutions tax); and

(3) IC 27-1-18-2 (the insurance premiums tax);

as computed after the application of the credits that, under IC 6-3.1-1-2, are to be applied before the credit provided by this chapter.

Sec. 5. As used in this chapter, "taxpayer" means an individual, a corporation, a partnership, or other entity that has state tax liability.

Sec. 6. A taxpayer is entitled to a credit against the taxpayer's state tax liability for the cost of purchasing any anhydrous ammonia additive to be used in treating any anhydrous ammonia in the possession of the taxpayer.

Sec. 7. The amount of the credit provided by this chapter is equal to the total cost of any anhydrous ammonia additives purchased during the taxable year for which the taxpayer is claiming a credit under this chapter.

Sec. 8. To obtain the credit provided by this chapter, the taxpayer must:

(1) claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department; and

(2) submit to the department proof of all information that the department determines is necessary for the calculation of the credit.

Sec. 9. If a pass through entity does not have adjusted gross income tax liability against which the credit provided by this chapter may be applied, a shareholder or partner of the pass through entity is entitled to a credit equal to:

(1) the credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder or partner is entitled.

Sec. 10. A taxpayer is not entitled to a carryover, carryback, or refund of any unused credit provided by this chapter. A taxpayer

**C
o
p
y**



1 **may not sell, assign, convey, or otherwise transfer the tax credit**
2 **provided by this chapter.**

3 **SECTION 2. [EFFECTIVE JANUARY 1, 2009] IC 6-3.1-32, as**
4 **added by this act, applies to taxable years beginning after**
5 **December 31, 2008.**

C
O
P
Y

